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AUTHOR	Gaither, Gerald; And Others
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ABSTRACT

This digest discusses the development and implementation of performance indicators in higher education, focusing on the factors driving increased demand for accountability in higher education and the use of performance indicators. It discusses the public and political concern for increased emphasis on undergraduate education, productivity, accountability, and quality assessment at colleges and universities in the United States and other countries, in light of educational retrenchment and budgetary constraints. The report concludes by discussing possible future trends in the use of performance indicators by governments and institutions to promote productivity, accountability, and quality in higher education. (Contains 6 references.) (MDM)

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> *When Adam walked with Eve in the Garden of Eden, he was overheard to say (presumably by the angel just arrived with the flaming sword), "You must understand, my dear, that we are living through a period of transition"* (Gray 1951, p. 213).

Measuring Up: The Promises and Pitfalls of Performance Indicators in Higher Education is also about transitions and issues unfolding during the implementation of performance indicators. Beginning in the 1980s, the era concerned primarily with growth in enrollments and access was largely over, while another waited further definition and recognition in such emerging issues as public accountability, quality, productivity, and undergraduate education.

The 1980s was also distinguished by the growth of the movement toward assessment and accountability. While higher education in the United States was affected by several phenomena during this decade, surely none created more fundamental change than the movement toward assessment. A 1990 study by the Education Commission of the States, for example, revealed that 40 states actively promoted assessment. Along with this movement was a rising interest in the quality of undergraduate education, and a litany of studies published in the 1980s lamented the poor condition of undergraduate education, pointing to inadequacies that needed to be corrected. By 1986, all 50 states and the District of Columbia had developed initiatives to improve undergraduate education.

Accompanying this movement was a subtle shift from growth in funding, principally through formula funding, toward funding "outcomes," "results," and "performance." This focus on performance, using funding incentives as motivators, helped encourage policy makers and the academic community to explore the use of a system of indicators to raise warning signs about the efficiency and effectiveness of higher education.

These domestic efforts paralleled developments in higher education in a number of countries, particularly in Europe and Australia. Since the late 1970s, the concepts of performance indicators and quality assessment have clearly become international issues (Kells 1993). Indeed, they are becoming an integral part of an emerging international method on how to manage higher education, with indicators serving as signals or guides for making national or international comparisons in educational quality, effectiveness, and efficiency. Further, the main advantage of such performance indicator systems is their usefulness as points of reference for comparing quality or performance against peers over time, or achievement against a desired objective.

The 1990s emerged as part of another era awaiting further definition. First, the development of performance indicators in the 1990s differs from that in the 1980s. Policy makers are generally less inclined toward the voluntary institutional improvement of the 1980s and more focused on a system of mandated public accountability. And by 1994 some 18 states had developed indicator systems, most of them in the first three years of the decade. A heightened tempo in the use of performance indicators, accompanied by a tendency to copy other states' systems, resulted in a common core of state indicators to address common problems. Concomitant with this movement was greater centralization of authority, with the intent of bringing about more public accountability and better management--which will likely underlie much future funding of higher education in the United States.

The air is full of questions. Will the federal government assume greater centralized control of higher education through such areas as accreditation and financial aid and by using a set of national goals and performance standards? Will international education continue to be reformed through the mechanisms of performance indicators and incentive funding? How should such mechanisms be best used to motivate and bring about desired reforms on campus and at state, regional, or national levels? While scholars and legislators debate these questions, the public's investment in and concern about quality and performance in higher education continue unabated, and institutional resistance to fundamental reform remains ingrained. It remains unclear whether performance indicators and incentive funding will result in any widespread, lasting innovations or the concept will pass quickly through higher education in this country, leaving only a modest residue.

Perhaps, however, a hint about any lasting contribution and the future role for performance indicators can be found in Europe, where early pioneering efforts on quality assessment are maturing. Nationally, the role of performance indicators is declining, and growing doubts about the ability to "measure the unmeasurable," particularly about the validity of such measures to evaluate and be used to reward quality, have led to retrenchment in such countries as the Netherlands and the United Kingdom. At the same time, national and institutional experiments with such assessment techniques as peer reviews and quality audits are gaining prominence, relegating performance indicators to the role of supporting tools in such efforts.

This emerging approach offers the collective faculty a more palatable, more dynamic vision of academic

quality, ostensibly more worthy of their commitment and pursuit than any externally imposed system of performance indicators. Faculty resolutely insist they know academic quality when they see it and should retain the primary responsibility for assessing and rewarding it. But such autonomy is always purchased by providing measures of accountability for results and resources to the public and to policy makers. It remains to be seen whether faculty will assume the collective mantle of responsibility and professional obligation to develop processes that develop a sense of common purpose and shared accountability with the various publics. If this pattern gains prominence, performance indicators will likely be relegated to a minor role as a supporting tool; if the academy does not respond, the public appetite for results will expand and crystallize around the use of external performance indicators to measure desired results. And the jury is still out on the results desired.

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